



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

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MALPRACTICE LAWSUIT FILED AGAINST LAW FIRM THAT BILLED THE CITY NEARLY \$10 MILLION WITHOUT PROVIDING DETAILED BILLS

San Diego, CA--City Attorney Michael Aguirre announced the filing of civil litigation against a law firm that the City paid in connection with the investigation of the City's financial disclosure practices and pension under funding. The law firm, Willkie Farr & Gallagher LLP ("Willkie Farr"), is a New York, securities defense firm. It billed the City \$9,759,918.25 for its work, without providing the City requested billing detail.

"The City Attorney's Office has a fiduciary obligation to the taxpayers of San Diego, as well as independent authority under State law to file this lawsuit and pursue the case with vigor," said City Attorney Aguirre. "We will no longer tolerate exploitation by any entity seeking to take advantage of our City when it was most vulnerable."

The crux of the City's claims is that the firm over billed for unnecessary legal work it refused to detail. The City claims the law firm was hired to perform an agreed-upon role, but billed the City excessively, using 39 lawyers at rates as high as \$865 per hour, to do unauthorized and unnecessary work. In addition to being duplicative and unnecessary, the massive amount of work the firm undertook was also beyond the scope of the City's agreement to pay the firm.

When Willkie Farr was hired, the City had already paid another law firm more than \$5 million to prepare a legal analysis and to author a report regarding the very same subject matter. The City is currently suing that firm.

According to Executive Assistant City Attorney Don McGrath, this litigation seeks to recover the City's payments to the lawyers (\$9,759,918.25), trebled (to \$29,279,754.75) under the applicable False Claims Act, and punitive damages for the lawyer's concealments of their wrongdoing.

The civil litigation is being prosecuted on a contingent fee basis on behalf of the City by private attorney Bryan C. Vess, who has advanced the costs of the lawsuit. Previous civil lawsuits filed by the City Attorney's Office against professional firms involved in the creation or investigation of the pension under funding have resulted in settlements in excess of \$6 million.

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